

Report No. 3

REPORT ON  
THE TEACHERS' AND STATE EMPLOYEES' RETIREMENT SYSTEM:  
TERMS AND BENEFITS

North Carolina  
Legislative Research Commission

Raleigh

1967

## Introduction

An unnumbered House Resolution adopted June 16, 1965, directed this Commission to study "the terms and benefits offered by the Teachers' and State Employees' Retirement System and to make its report and recommendations to the 1967 General Assembly." (See Appendix A.)

On December 3, 1965, the Executive Secretary of the Teachers' and State Employees' Retirement System appeared before this Commission and responded to the questions of members. He suggested the desirability of a study of the feasibility of adding an escalator clause to the State's retirement plan, whereby benefits might increase or decrease automatically to keep up with the cost of living and not require periodic special action by the legislature.

Since that time, the Board of Trustees of the Teachers' and State Employees' Retirement System has considered the addition of this type of escalator provision to the State's retirement plan, and it appears likely that it will be approved by the Board of Trustees at an early date.

At our next meeting, the Executive Secretary of the Retirement System appeared again and reported that

the Board of Trustees of the System believed that any further change in the Retirement System would require additional appropriations, and it would not be in order at this time to request additional funds, due to the increase in social security withholding rates, the recent improvement in the terms of the retirement plan, and the growth in the number of state employees. In view of this request, the Commission decided to take no further action and makes no recommendation on this subject.

Recommendation

Having made no extensive inquiry into the terms and benefits of the Teachers' and State Employees' Retirement System, we have no recommendations to make with respect to that system.

Appendix A

HOUSE RESOLUTION

A HOUSE RESOLUTION DIRECTING THE LEGISLATIVE RESEARCH  
COMMISSION TO STUDY THE STATE RETIREMENT SYSTEM FOR  
TEACHERS AND STATE EMPLOYEES.

Be it resolved by the House of Representatives:

Section 1. That the Legislative Research  
Commission is hereby authorized and directed to study  
the terms and benefits offered by the Teachers' and  
State Employees' Retirement System and to make its  
report and recommendations to the 1967 General Assembly.

Sec. 2. This Resolution shall become effective  
upon adoption.

(Adopted by the House of Representatives

June 16, 1965.)